FEDERAL ELECTION COMMISSION
WASHINGTON, D.C. 20463

RQ-2

Jack Hanson, Treasurer
Pioneer Political Action Committee
499 South Capitol St., SW, Suite 2000A
Washington, DC 20003

APR 26 2000

Identification Number: C00325357

Reference: Mid-Year Report (1/1/99-6/30/99)

Dear Mr. Hanson:

This letter is prompted by the Commission's preliminary review of the report(s) referenced above. The review raised questions concerning certain information contained in the report(s). An itemization follows:

-Schedule A supporting Line 15 of your report discloses a payment(s) from a federal candidate committee(s) for goods and/or services provided by your committee. 11 CFR §100.7(a)(3)(A) states that "...the provision of any goods or services without charge or at a charge which is less than the usual and normal charge for such goods or services is a contribution." Examples of goods and services include equipment, supplies, personnel and membership lists. The term "usual and normal charge" for goods is defined as "...the price of those goods in the market from which they ordinarily would have been purchased at the time of the contribution". The usual and normal charge for services is defined as "...the hourly or piecemeal charge for the services at a commercially reasonable rate prevailing at the time the services were rendered." 11 CFR §100.7(a)(iii)(B)

Please clarify whether your committee assessed the usual and normal charge for the goods and/or services you provided to the federal candidate committee(s) and explain the steps your committee took in determining the amount(s) charged. If your committee provided the goods and/or services at less than the usual and normal charge, the difference between the two is